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POSZ LAW GROUP, PLC 12040 SOUTH LAKES DRIVE SUITE 101 RESTON, VA 20191			EXAMINER CAMPEN, KELLY SCAGGS	
			ART UNIT 3691	PAPER NUMBER
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

**Application No.**

10/501,326

**Applicant(s)**

DUNNE, RICHARD C.

**Examiner**

Kelly Campen

**Art Unit**

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  - ☒ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 12/2/2004.
- ☒ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_.
- ☐ Notice of Informal Patent Application
- ☐ Other: \_\_\_\_.

## **DETAILED ACTION**

### ***Specification***

The abstract of the disclosure is objected to because it includes that which may be implied and legal phraseology (see below). Correction is required. See MPEP § 608.01(b).

Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

Applicant is reminded of the proper content of an abstract of the disclosure.

A patent abstract is a concise statement of the technical disclosure of the patent and should include that which is new in the art to which the invention pertains. If the patent is of a basic nature, the entire technical disclosure may be new in the art, and the abstract should be directed to the entire disclosure. If the patent is in the nature of an improvement in an old apparatus, process, product, or composition, the abstract should include the technical disclosure of the improvement. In certain patents, particularly those for compounds and compositions, wherein the process for making and/or the use thereof are not obvious, the abstract should set forth a process for making and/or use thereof. If the new technical disclosure involves modifications or alternatives, the abstract should mention by way of example the preferred modification or alternative.

The abstract should not refer to purported merits or speculative applications of the invention and should not compare the invention with the prior art.

Where applicable, the abstract should include the following:

- (1) if a machine or apparatus, its organization and operation;
- (2) if an article, its method of making;
- (3) if a chemical compound, its identity and use;
- (4) if a mixture, its ingredients;

(5) if a process, the steps.

Extensive mechanical and design details of apparatus should not be given.

### ***Claim Objections***

The claims are objected to because the lines are crowded too closely together, making reading difficult. Substitute claims with lines one and one-half or double spaced on good quality paper are required. See 37 CFR 1.52(b).

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-20 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 1-20 are rejected as failing to define the invention in the manner required by 35 U.S.C. 112, second paragraph.

The claim(s) are narrative in form and replete with indefinite and functional or operational language. The structure which goes to make up the device must be clearly and positively specified. The structure must be organized and correlated in such a manner as to present a complete operative device. The claim(s) must be in one sentence form only. Note the format of the claims in the patent(s) cited.

Specifically as to claim 1, in line 3, the phrase "using a data source from which can be derived the percentage increase or decrease" is vague and indefinite because it is unclear whether

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the data is being used for increases or decreases. Alternative language should only be used to refer to equivalents otherwise the metes and bounds of the claim are unclear. In addition, the language of the phrase is confusing and should be rewritten to clearly define the metes and bounds of the claim. Further, 'each of consecutive reporting periods' in line 4 is confusing as to which reporting periods are included or are being referred to for the step. Also, the last step of the claim, line 7, is vague because the phrase "judge the desirability of each investment" is unclear as to how it is being judged and what the parameters are for the judging of the investment.

Specifically as to claim 2, the use of the conjunction "or" in lines 2 and 3 is indefinite as the terms it links are not equivalents therefore it is unclear what the claim is intending to include.

Specifically as to claim 4, the use of the conjunction "or" in line 2 is indefinite as the terms it links are not equivalents therefore it is unclear what the claim is intending to include. Further, to what is "its" referring in line 3?

Specifically as to claim 5,

Claim 5 recites the limitation "the standard" in line 3. There is insufficient antecedent basis for this limitation in the claim.

Specifically as to claims 7, 11 and 16, the phrase "but, in the absence of such determination...value." in lines 2-3 is vague and indefinite because the negative limitation and the positive limitation is recited in the claim and it is unclear which is being claimed in the instant claim.

Specifically as to claim 8, what other group is the claim directed (see "in any other group" in lines 8-9)?

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Specifically as to claims 9 (line 3), 15 (lines 6 and 9) and 20 (line 3), the “or” limitation is indefinite as it does not refer to an equivalent.

Specifically as to claim 10, the claim is unclear and will be interpreted as the examiner can understand best. The claim is replete with vague references to negative limitations, alternative limitations, and confusing language.

Specifically as to claims 12 and 17, the phrase “in respect of any performance measurement value where a lower value is more desirable” is vague and unclear, it is unclear what the applicant intends to claim. For examination purposes, the claims will be interpreted as the Examiner can understand best.

Specifically as to claim 15, what is meant by the term “outperformance value”? While applicant may be his or her own lexicographer, the term must be clearly defined.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-20 are rejected under 35 U.S.C. 102(e) as being anticipated by Li (US 6453303).

Li discloses a method for analyzing the performance of a plurality of investments, the method comprising: using a data source from which can be derived the percentage increase or

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decrease in the value of each investment during each of consecutive reporting periods within a given time frame (see 'measure of volatility' col 1 lines 65 to col. 2 line 5 and col. 2 lines 13-28) calculating values of an investment performance measurement for a plurality of overlapping holding periods within the time frame, respectively (see 'real time and historic values' col. 2 lines 13-28); using the resulting values to judge the desirability of each investment (see col. 2 lines 35-40).

Specifically as to claim 2, wherein the investments are each a tradable asset or a portfolio of tradable assets or a non-tradable index or benchmark (see col. 2 lines 35-40).

Specifically as to claim 3, wherein each reporting period is of the same standard length of time (see col. 1 lines 65-67).

Specifically as to claim 4, wherein the investment performance measurement includes any quantitative measurement of the absolute performance of a single investment or any quantitative measurement of its performance relative to that of another investment (see col. 1, lines 65-67 'wide variety of financial assets').

Specifically as to claim 5, wherein each holding period is a period of time spanned by any combination of consecutive, contiguous reporting periods, such that the length of a holding period is a multiple of the standard length of the reporting period (see col 2, lines 1-67).

Specifically as to claim 6, wherein the method includes, for each investment, calculating a weighted average of the values of the investment performance measurement and comparing the respective weighted averages of the investments (see col 2 lines 1-67).

Specifically as to claims 7, 11, 16, wherein the weighting factor to be applied to the value in respect of each holding period may be selected by a user, but, in the absence of such

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determination, by default shall be based on the length of the holding period associated with each performance measurement value (see col. 2, lines 1-67).

Specifically as to claim 8, wherein the method includes: calculating a weighted average of the correlation between each pair of investments for a plurality of holding periods (see col. 4, lines 15-30, 45-46); performing a mathematical conversion on the weighted average of correlation values such that these values are mapped into a range of positive values in which a higher positive value reflects a greater degree of negative correlation between the investments (see col. 5, lines 1-40); and using such converted or mapped values to partition the investments into groups such that the investments in each group are more highly correlated with each other than with those in any other group (see col. 7 lines 40-52).

Specifically as to claim 9, wherein the method includes calculating the percentage of all holding periods in which the performance measurement for an investment was more desirable than a fixed reference value or that of another investment (see col. 5, lines 1-65).

Specifically as to claim 10, wherein the method includes: calculating values of a plurality of performance measurements for the plurality of holding periods for each investment; calculating a weighted average of the values of the performance measurements; calculating in respect of each weighted average its normalized value, which is the number of standard deviations such weighted average lies above or below the mean of all weighted averages, for each performance measurement for the investments (see col. 7, lines 40-52); for each performance measurement, calculating a weighted average of the normalized values for each investment (see col. 5, lines 1-65), and performing a mathematical conversion on the resulting weighted averages such that the highest resulting weighted average is mapped to one-hundred



percent, the lowest is mapped to zero percent and all other values are mapped within this range accordingly (see col. 5-col. 6).

Specifically as to claims 12 and 17, wherein the method includes, in respect of any performance measurement value where a lower value is more desirable, multiplying the corresponding stored normalized value by a factor of negative one prior to calculating a weighted average of the normalized values (see col. 5 through col. 6).

Specifically as to claims 13 and 14, wherein the method includes storing the values of the performance measurement for each of the investments in a database prior to using the values to judge the desirability of each investment (see col. 4 lines 3-15).

Specifically as to claims 15 and 20, wherein the method includes: calculating values of a plurality of performance measurements for the plurality of holding periods for each investment (see col. 7 lines 40-52); for each investment, calculating a percentage out performance value, which is the percentage of all the holding periods in which each performance measurement was more desirable than either a fixed reference value or that of another investment (see col. 5, lines 1-65); calculating a normalized value for each percentage outperformance value, wherein the normalized value is the number of standard deviations such percentage outperformance lies above or below the mean of all outperformance values, for each of the investments, for each performance measurement, calculating a weighted average of the normalized values for each investment; and performing a mathematical conversion on the resulting weighted averages such that the highest resulting weighted average is mapped to one-hundred percent, the lowest is mapped to zero percent and all other values are mapped within this range accordingly (see col. 5 lines 1-65).

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Specifically as to claim 18, wherein the method includes making an investment decision based on the results of the analysis (see col 6, lines 60-65).

Specifically as to claim 19, wherein the method includes calculating a probability of loss value by counting the number of the holding periods for which the return was negative and dividing the total by the number of the holding periods (see col 5-6).

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Sloan et al. (US20020147671) disclose a financial portfolio risk management method. Wherry et al. (US2002003827) disclose a method and system for investment integration. O'Shaughnessy (US6484151) discloses a system and method for selecting and purchasing stocks via a global computer network. Ittai (US20020046145) discloses a method and system for analyzing performance of an investment portfolio together with associated risk.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kelly Campen whose telephone number is (571) 272-6740. The examiner can normally be reached Monday through Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



Kelly S. Campen